

Abstract for review

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Governing Partnerships through Grants

Relation between Finnish Nonprofit Social and Health Care Organizations and their Public Funder

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Abstract:

Partnership between third and public sector in service production has been emphasized also in Nordic welfare states since the introduction of New Public Management (NPM). In Finland, partnerships were strengthened especially during late 80s and early 90s when state-governed public grants were directed to support third sector service production in Finnish municipalities. Partnership between public sector and civil society has been a goal of Finnish government policies also in 2000s. Meantime, Finnish nonprofit service producers have faced new financial uncertainties in marketized operational environment of (post)welfare state. (Matthies et al. 2006; Perälä 2010; Särkelä 2016.)

Against this background, this study investigates position of nonprofit organizations searching public funding for their activities and services. The data consists of 24 semi-structured thematic interviews of representatives of nonprofit social and health care organizations (NPOs) which have received public grants from the Finnish Slot Machine Association (RAY). The case is an interesting example of state and non-profit relation for number of reasons:

First, the founding (in 1938) and governance of RAY has happened in an intertwined relationship between state authorities and civil society associations. RAY has been the most important funder of Finnish nonprofit social and health care organizations. Second, during 2000s, RAY had to

withdraw from funding some services as its public grants were considered to threaten free market competition. Third, as three Finnish gambling monopoly operators (including RAY) merged in early 2017, the Finnish state is expected to have even more control over the allocation of gambling profits.

The method used is thematic analysis (Alasuutari 1996). Especially, relationships between NPOs, RAY and the Finnish state are under scrutiny. The results hint that representatives of NPOs describe their relationship to RAY in terms of partnership but also feel pressure to adapt to policies of the funding organization and state. It has been suggested that some governmental regimes have moved towards relational governance based on interdependent relationship between civil society and state (Phillips & Smith 2011). However, public funding may still be a tool of governing NPOs and power relations are also embedded in partnerships.

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